



HOUSE BUDGET COMMITTEE

Democratic Caucus

The Honorable John M. Spratt Jr. ■ Ranking Democratic Member

B-71 Cannon HOB ■ Washington, DC 20515 ■ 202-226-7200 ■ www.house.gov/budget_democrats

November 25, 2003

Congressional Republicans Fail to Extend Benefits for Unemployed Workers

Dear Democratic Colleague:

Despite strong urging from Democrats, House Republicans recessed for Thanksgiving without passing legislation to continue a program of extended unemployment benefits. Some Republican leaders have expressed opposition to continuing the program. If the Republican position prevails, in January alone more than 300,000 jobless workers will reach a point where they have neither a paycheck nor unemployment benefits.

Thanks to Democratic leadership, Congress created the Temporary Extended Unemployment Compensation (TEUC) program in March 2002. This program provides 13 extra weeks of benefits to workers who exhaust their regular state unemployment benefits but remain out of work. The program will close to new participants after December 27 unless Congress approves an extension. Democrats have introduced legislation to extend the program for six months and make improvements to it. A separate Republican bill would simply extend the program for six months.

Since President Bush took office, the economy has shed three million private-sector jobs. While recent months have seen some job growth, there is still a long way to go. The shortage of jobs translates into longer unemployment spells. Since May, nearly 44 percent of unemployment compensation beneficiaries have exhausted their regular benefits before finding new jobs – the highest rate of benefit exhaustion on record. An estimated two million workers could experience the same fate in the first six months of 2004.

The bottom line is that countless jobless workers will need extended unemployment benefits until this economy generates many more new jobs than have been created so far. In light of the economic evidence, Republicans' reluctance to extend the TEUC program underscores their misplaced priorities and shows a disappointing indifference to the current state of the job market and the plight of jobless workers.

Sincerely,

/s

John M. Spratt, Jr.

Ranking Democratic Member